

5 WHAT IS CLAIMED IS:

1. A computer system for conducting a savings and loan auction between a plurality of saver's institutions acting on behalf of a plurality of savers and a plurality of borrower's institutions acting on behalf of pre-qualified borrowers for a plurality of pre-set amounts
10 of offered principal, each offered principal being offered for one of a plurality of pre-set time periods via a funds auctioneer, said computer system comprising:
- (a) at least one computer maintained by said funds auctioneer;
 - (b) at least one computer network connected to said computer;
 - (c) means for receiving an electronic savings deposit offer and ask rate from a
15 prospective saver's institution over said at least one computer network;
 - (d) means for receiving an electronic loan request and bid rate from a prospective borrower's institution over said at least one computer network;
 - (e) means, located at said funds auctioneer, for electronically sorting, matching, and selecting electronic savings deposit offers and ask rates which match with electronic
20 loan requests and bid rates to form a plurality of matches of bids and asks or transactions,
 - (f) means, operated by said funds auctioneer, for electronically confirming each said match of a bid and ask to each said saver's institution and each said borrower's institution which is a party to the matched bid and ask or transaction over said at least
25 one computer network or another computer network;
 - (g) means, operated by said funds auctioneer, for electronically confirming each said match of a bid and ask to a clearinghouse and a surety, specifying each said saver's

5 institution and each said borrower's institution, which is a party to the matched bid
and ask or transaction, over said at least one computer network or another computer
network;

(h) means, operated by said funds auctioneer, for electronically monitoring payments
of principal and interest from each borrower's institution that is a party to a
10 transaction via the clearinghouse bank to each saver's institution that is a party to the
matched transaction;

(i) means for electronically issuing a negotiable certificate of deposit from the
auctioneer to a saver via saver's institution and the clearinghouse bank;

15 (j) means for electronically redeeming and issuing notification of redemption of said
auctioneer's negotiable certificate of deposit to the surety, the clearinghouse bank, the
saver's institution, and the borrower's institution;

(k) means, operated by said funds auctioneer, for electronically monitoring payments
of principal and interest from each borrower's institution that is a party to a
transaction via the clearinghouse to each saver's institution that is a party to the
20 matched transaction; and,

(l) means for electronically transferring final principal and accrued interest from the
borrower's institution via the clearinghouse bank to the auctioneer's certificate holder
and canceling the auctioneer's certificate of deposit.

25 2. The computer system of claim 1 further comprising a means for electronically
transferring a discounted principal to the borrower's institution for transfer to the
borrower.

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3. The computer system of claim 2, further comprising means for electronically distributing a fee, the difference between the principal and discounted principal, to the auctioneer, the borrower's institution, the saver's institution, and the surety.

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4. The computer system of claim 1 further comprising a local area network ("LAN") connected to said computer, said local area network including a plurality of computers.

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5. A method for conducting a savings and loan auction between a plurality of saver's institutions acting on behalf of a plurality of savers and a plurality of borrower's institutions acting on behalf of pre-qualified borrowers for a plurality of pre-set amounts of offered principal, each offered principal being offered for one of a plurality of pre-set time periods via a funds auctioneer over a computer system comprising at least one computer and at least one computer network connected thereto, said method comprising the steps of:

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(a) providing at least one computer maintained by said funds auctioneer;

(b) providing at least one computer network connected to said computer;

(c) receiving an electronic savings deposit offer and ask rate from a prospective saver's institution over said at least one computer network;

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(d) receiving an electronic loan request and bid rate from a prospective borrower's institution over said at least one computer network;

5 (e) said funds auctioneer, electronically sorting, matching, and selecting electronic savings deposit offers and ask rates which match with electronic loan requests and bid rates to form a plurality of matches of bids and asks or transactions,

(f) said funds auctioneer, electronically confirming each said match of a bid and ask to each said saver's institution and each said borrower's institution which is a party to

10 the matched bid and ask or transaction over said at least one computer network or another computer network;

(g) said funds auctioneer, electronically confirming each said match of a bid and ask to a clearinghouse and a surety, specifying each said saver's institution and each said borrower's institution, which is a party to the matched bid and ask or transaction, over

15 said at least one computer network or another computer network;

(h) said funds auctioneer, electronically monitoring payments of principal and interest from each borrower's institution that is a party to a transaction via the clearinghouse bank to each saver's institution that is a party to the matched transaction;

(i) electronically issuing a negotiable certificate of deposit from the auctioneer to a

20 saver via saver's institution and the clearinghouse bank;

(j) electronically redeeming and issuing notification of redemption of said auctioneer's negotiable certificate of deposit to the surety, the clearinghouse bank, the saver's institution, and the borrower's institution; and

(k) electronically monitoring payments of principal and interest from each borrower's

25 institution that is a party to a transaction via the clearinghouse bank to each saver's institution that is a party to the matched transaction; and,

- 5 (l) electronically transferring final principal and accrued interest from the borrower's institution via the clearinghouse to the auctioneer's certificate holder and canceling the auctioneer's certificate of deposit.

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